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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 000986

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TAGS: [PGOV](#) [KJUS](#) [KCOR](#) [ID](#)
SUBJECT: ANTI-CORRUPTION BODY PURSUES HIGH PROFILE CASES;
PRESIDENT REAPS DIVIDENDS ON CAMPAIGN TRAIL

REF: A. JAKARTA 805
[1](#)B. JAKARTA 219 AND PREVIOUS

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Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

[1](#)1. (C) SUMMARY: The arrest of the former chair of Indonesia's Corruption Eradication Commission (KPK) has given prosecutors new impetus on the anti-corruption front. Since this arrest, the KPK has declared as suspects seven former and current lawmakers in corruption cases. In the meantime, the KPK is working to bring several pending cases to a close. Indonesians, in a new survey, view Parliament as the country's most corrupt institution. Corruption is also a major issue on the presidential campaign trail with President Yudhoyono earning credit for the GOI's efforts to rack up convictions. END SUMMARY.

ANTI-CORRUPTION BODY MOVES FORWARD

[1](#)2. (SBU) A sensational murder case involving the former head of the Corruption Eradication Commission (KPK), Antasari Azhar, continues to unfold. The Attorney General's Office has requested that the police swiftly conclude their investigation into Azhar in order to end public speculation regarding his involvement in the murder of businessman Nasrudin Zulkarnen. Police have linked the murder to a love triangle between involving Azhar, Zulkarnen, and a golf caddy (reftel A).

[1](#)3. (C) Former and current KPK officials have intimated that investigating Azhar was "not a matter of if, but when." In a conversation with Emboffs, Vice Commissioner of the KPK Chandra Hamzah admitted that he had begun an internal investigation into Azhar's activities several months ago. According to Hamzah, Azhar had violated several tenets of the KPK's code of ethics, including playing golf with people who are not immediate family or members of the KPK. Former KPK Secretary General M. Symsa Ardisasmita told Emboffs that Azhar apparently thought the code of ethics and other internal controls did not apply to him.

PURSuing KEY CASES

[1](#)4. (SBU) At the time of his arrest on May 3, anti-corruption activists worried that Azhar's absence would hinder Indonesia's anti-corruption efforts. According to Indonesia Corruption Watch, however, the KPK's performance has actually improved after Azhar's arrest.

15. (C) Anti-corruption activists, for example, have long complained that Azhar had blocked an investigation into the selection of Miranda Goeltom as the senior deputy governor of Bank Indonesia (BI--the central bank) in 2004. An Indonesian Democratic Party of Struggle (PDIP) lawmaker admitted in 2008 to receiving approximately \$50,000 in bribe money in exchange for voting for Goeltom. At the time of this admission, the lawmaker presented a Financial Intelligence Unit report that showed that 41 members of Parliament's finance commission had received bribe money shortly after Goeltom was elected.

16. (SBU) The KPK--with Azhar out of the way--has now named suspects in that case. On June 9, the KPK alleged that two current and two former legislators had received funds in exchange for supporting Goeltom's BI candidacy. These four were allegedly among the 41 lawmakers who received bribe money.

17. (SBU) The KPK has recently named other corruption suspects. On May 12, the KPK named three members of Parliament's forestry and agriculture commission as corruption suspects for demanding and receiving money from the South Sumatra local government administration.

18. (SBU) In addition, on June 5, KPK prosecutors sought a four-year jail term for four former BI deputy governors, including Aulia Pohon, for their alleged role in an embezzlement case in 2003 (reftel B). On June 9, KPK prosecutors also sought a four-year jail term for former West Java Governor Dani Setiawan for allegedly receiving kickbacks from two firms that supplied government vehicles in 2002 and 2004.

PARLIAMENT DEEMED INDONESIA'S MOST CORRUPT BODY

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19. (SBU) According to a new report, Indonesia's Parliament is perceived as the country's most corrupt institution. On June 3, Transparency International (TI) released an annual report, Global Corruption Barometer, that gauges citizens' perceptions of their country's level of corruption. In previous surveys, the Indonesian judiciary topped the list of most corrupt institutions. Teten Masduki, Secretary General of TI (Indonesia), said publicly that Parliament could reverse this perception by passing the proposed Anti-Corruption Court bill, which has been pending with Parliament for almost a year (see septel).

PRESIDENT REAPS DIVIDENDS

10. (C) Ahead of Indonesia's presidential elections on July 8, corruption is also a major issue on the campaign trail with President Yudhoyono earning credit for the GOI's efforts to rack up convictions. Yudhoyono has gained respect, for example, by his commitment to pursuing corruption cases--no matter where. This is the case with Aulia Pohon, the former central bank official who is currently ensnared in a corruption case (see above). His daughter is married to President Yudhoyono's first son--but that has not helped him. President Yudhoyono has stated that no one is above the law and that he would not interfere in the case, earning the President high marks from anti-corruption activists and, in surveys, from many Indonesians. This behavior is also in contrast to that of former president Suharto who lavishly rewarded family members and protected them from all investigation.

NORTH